

# House File 2521

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON COMMERCE,  
REGULATION AND LABOR

(SUCCESSOR TO HSB 701)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for a health insurance study by the commissioner  
2 of insurance and a medical malpractice insurance solution task  
3 force and study and by providing an effective date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 HF 2521  
6 kk/es/25

PAG LIN

1 1 Section 1. IOWA HEALTH INSURANCE VALUE INITIATIVE.  
1 2 1. The commissioner of insurance shall conduct a study  
1 3 regarding the costs of health insurance premiums for  
1 4 businesses and individual customers in this state. The  
1 5 purpose of the study shall be to provide the general assembly  
1 6 with recommendations to reduce the cost of health insurance  
1 7 premiums for businesses and individuals who purchase health  
1 8 insurance policies by at least ten percent.  
1 9 2. The study shall include a broad review and cost  
1 10 comparison of health insurance policies offered in this state  
1 11 including, but not limited to, those purchased as a group or  
1 12 individually, by employers or employees, by self-employed or  
1 13 self-insured persons, and through benevolent organizations,  
1 14 nonprofit health service corporations, or health maintenance  
1 15 organizations.  
1 16 3. The study shall also consider methods to reduce the  
1 17 cost of health care services that affect health insurance  
1 18 premiums such as wellness programs, managed care, priority in  
1 19 costs of service, equitable discounts to insurers, and the  
1 20 costs of pharmaceuticals. The study shall consider possible  
1 21 advantages of reinsurance programs, medical savings accounts,  
1 22 and premium tax credits and assessments. The study shall  
1 23 consider advantages of state government processes used by  
1 24 other states such as mandate commissions and other  
1 25 opportunities that would attract other business entities to  
1 26 Iowa and increase competition.  
1 27 4. In consultation with the department of economic  
1 28 development, the study shall identify economic growth  
1 29 opportunities and competitive advantages that may be gained  
1 30 over neighboring states for Iowa businesses due to a decrease  
1 31 in health insurance premiums in Iowa.  
1 32 5. The commissioner shall provide at least two  
1 33 recommendations for reducing health insurance premiums by at  
1 34 least ten percent. The commissioner shall ensure that the  
1 35 recommendations are supportive of the insurance industry,  
2 1 which is a vital component of the economy of this state, and  
2 2 that Iowa remains competitive with other states for continued  
2 3 economic development in the insurance industry.  
2 4 6. The commissioner of insurance, in consultation with the  
2 5 department of economic development, shall select persons to  
2 6 participate in the study, which persons shall include  
2 7 representatives from the health insurance industry,  
2 8 independent health insurance agents, health care providers,  
2 9 large and small businesses offering health insurance benefits,  
2 10 self-funded bodies, labor unions and collective bargaining  
2 11 organizations, state and local governments and school boards  
2 12 offering health insurance benefits, the department of human  
2 13 services, and other health insurance-related parties or  
2 14 experts as deemed appropriate by the commissioner.  
2 15 7. The commissioner shall provide an action plan outlining  
2 16 the proposed agenda for the study to the general assembly, or  
2 17 if the general assembly is no longer in session to the  
2 18 legislative oversight committee, by April 30, 2004. The  
2 19 commissioner shall provide at least two interim reports to the  
2 20 legislative government oversight committee and a final report

2 21 to the house standing committee on commerce, regulation and  
2 22 labor, the senate standing committee on commerce, and the  
2 23 legislative oversight committee by January 3, 2005.

2 24 Sec. 2. MEDICAL MALPRACTICE INSURANCE SOLUTION TASK FORCE  
2 25 == STUDY. The insurance division of the department of  
2 26 commerce shall establish a medical malpractice insurance  
2 27 solution task force. The medical malpractice insurance  
2 28 solution task force shall conduct a study regarding the  
2 29 availability and affordability of medical malpractice  
2 30 insurance in Iowa. The purpose of the study shall be to  
2 31 provide regulatory agencies and the general assembly with  
2 32 possible solutions to alleviate problems regarding the  
2 33 availability and affordability of medical malpractice  
2 34 insurance in Iowa. The study shall include a broad review of  
2 35 factors affecting the availability and affordability of  
3 1 medical malpractice insurance in Iowa, including all of the  
3 2 following:

3 3 1. Premium amounts charged by medical malpractice insurers  
3 4 compared to expenses of medical malpractice insurers related  
3 5 to actual medical malpractice costs incurred including but not  
3 6 limited to administrative and overhead costs and costs of  
3 7 litigation including settlements and judgments during at least  
3 8 the previous ten-year period.

3 9 2. The type of damages awarded in settlements and  
3 10 judgments in medical malpractice actions including but not  
3 11 limited to general economic and noneconomic damages, actual  
3 12 medical expenses, future medical expenses, lost wages,  
3 13 punitive damages, pain and suffering, and loss of  
3 14 companionship.

3 15 3. Any other factors contributing to the increase,  
3 16 decrease, and volatility of medical malpractice insurance  
3 17 premiums.

3 18 4. Existing insurance regulatory requirements and  
3 19 procedures.

3 20 5. Existing tort law in Iowa and the United States,  
3 21 whether statutory or case law.

3 22 6. Any other relevant matters as agreed upon by the task  
3 23 force.

3 24 The commissioner of insurance shall select the members of  
3 25 the task force which shall include representatives of medical  
3 26 malpractice insurers, health care professionals and health  
3 27 care facilities that purchase medical malpractice insurance,  
3 28 attorneys that represent plaintiffs in medical malpractice  
3 29 actions, attorneys that represent defendants in medical  
3 30 malpractice actions, and any other parties or experts as  
3 31 deemed appropriate by the commissioner.

3 32 The commissioner shall submit a report from the task force  
3 33 to the general assembly on or before January 15, 2005,  
3 34 regarding the task force's findings and recommended possible  
3 35 solutions, including proposed legislation, to make medical  
4 1 malpractice insurance more available and more affordable in  
4 2 Iowa.

4 3 Sec. 3. EFFECTIVE DATE. This Act, being deemed of  
4 4 immediate importance, takes effect upon enactment.

4 5 HF 2521

4 6 kk/es/25